

The seal of the Department of Defense Manufacturing and Industrial Base Policy is centered in the background. It features an eagle with wings spread, perched on a shield with a gear and a compass. The shield is set within a circular border containing the text "DEPARTMENT OF DEFENSE" at the top and "MANUFACTURING AND INDUSTRIAL BASE POLICY" at the bottom, with stars separating the two phrases.

Manufacturing & Industrial Base Policy Overview

Mary Margaret Evans
August 26, 2015



MIBP Authority & Organization



Secretary of Defense
Deputy Secretary of Defense

USD (AT&L)
PDUSD (AT&L)

DASD (MIBP)

Manufacturing

Business
Intelligence
& Analytics

Global Market
& Investments

2011, USC Section 7 of Title 10

Established

Deputy Assistant Secretary of Defense for
Manufacturing and Industrial Base Policy (MIBP)

Principal advisor to USD (AT&L) for:

- DoD policies for the maintenance of the US defense industrial base (IB)
- Budget matters related to the IB
- Anticipating and closing gaps in manufacturing capabilities or defense systems
- Assessing impacts related to mergers, acquisitions, and divestitures
- Monitoring and assessing impact of foreign investments in the US.
- Executing authorities under Sections 2501 and 2505 U.S.C. Title 10

Modernizing the Defense Industrial Base for the 21st Century



MIBP Mission

Roles and Responsibilities

Mission:

Ensure robust, secure, resilient, and innovative industrial capabilities upon which the DoD can rely to fulfill Warfighter requirements.

Advanced Manufacturing Capabilities

- Create, expand, or preserve domestic industrial manufacturing capabilities to meet national defense requirements
- Invest in cross-cutting, multi-system-benefit manufacturing R&D
- Establish national public-private partnerships to spur innovation and competitiveness of U.S. manufacturing

Business Intelligence and Analytics

- Proactively assess market trends related to the defense industrial base
- Use real-time tools to analyze critical and fragile components of the industrial base

Global Markets and Investments

- Lead DoD in all matters relating to mergers, acquisitions, and divestitures
- Analyze the national security implications of foreign investments in the U.S.



MIBP Strategic Priorities



1. Develop Business Intelligence and Analytic tools and capabilities to proactively assess the defense industrial base
2. Develop horizon-scanning capabilities to assess global markets and investments as they affect DoD in financial transactions and foreign investments
3. Support the National Network for Manufacturing Innovation (NNMI) including the establishment of six DoD institutes
4. Ensure responsiveness and balance across the full portfolio of manufacturing technology investments
5. Establish an Industrial Base Council to mitigate risk across DoD and improve two-way dialogue with industry through direct engagement with trade and industry associations





MIBP Functions



Manufacturing

- Defense Production Act Title III
- ManTech
- Manufacturing Innovation Institutes

Business Intelligence and Analytics

- Assess health of Industrial Base using big data principles
- Fragility and Criticality (FaC) Program

Global Markets and Investments

- Committee on Foreign Investment in the U.S. (CFIUS)
- Mergers and Acquisitions (Hart-Scott-Rodino Act)



MIBP Function – Manufacturing



DPA Title III – Expansion of Productive Capacity and Supply

Authorizes use of unique economic incentives to create, expand or preserve domestic industrial manufacturing capabilities for industrial resources, technologies, and materials needed to meet national defense requirements

We ARE NOT:

- R&D
- Buying supplies, parts, or systems

We ARE:

- Paying companies to create, expand, or modernize production capacity
- Buying and managing government-owned production equipment integral to a company's business

**ALON
Transparent
Armor**



Fast Facts

- Enacted in 1950
- Not a permanent authority. (Reauthorized thru Sept 30, 2019)
- Economic Incentives:
 - Purchases
 - Purchase commitments
 - Production equipment installation
- Contracting activities/ technical projects managed by the Air Force.

**Title III Program Director
Mark Buffler
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MIBP Function - Manufacturing



ManTech

Anticipates and closes gaps in manufacturing capabilities for affordable, timely, and low-risk development, production, and sustainment of defense systems

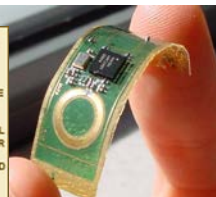
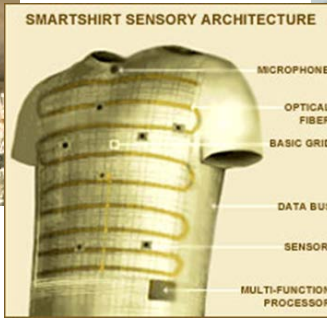
Strategic Thrusts:

- Responsive manufacturing technology investments
- Active support for
 - Collaborative manufacturing enterprise
 - Strong institutional focus on manufacturability
 - Strong manufacturing process maturity
 - Healthy, sufficient, and effective defense manufacturing infrastructure and workforce

Fast Facts

- Programs across the DoD: Military Departments, participating Defense Agencies, and OSD
- FY 2011 NDAA transferred oversight responsibilities of ManTech to DASD(MIBP)
- Establishing Manufacturing Innovation Institutes (5 year Cooperative Agreements)

ManTech Program Director
Adele Ratcliff
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MIBP Function – Manufacturing



DoD Manufacturing Innovation Institutes (MIIs)

Strengthening the innovation, performance, and competitiveness of the U.S. manufacturing base by bridging the current gap between basic research and product development/fielding and providing DoD with access to key, domestic enabling technologies

Established MIIs:

America Makes

Est. Aug 2012 (*Youngstown, OH*)

Digital Manufacturing and Design Innovation Institute (DMDII)

Est. Feb 2014 (*Chicago, IL*)

Lightweight Innovations For Tomorrow (LIFT)

Est. Feb 2014 (*Detroit, MI*)

Integrated Photonics (IP)

Est. Jul 2015 (*Rochester, NY*)

MIIs in Development:

Flexible Hybrid Electronics (FHE)

Expected Aug 2015

Revolutionary Fibers and Textiles (RFT)

Expected Aug 2015

Fast Facts

- Public-private partnership (led by non-profit)
- Minimum 1:1 cost share (Govt. and Industry)
- Self-sufficient after 5 years
- Federal investment range \$55M - \$110M
- 5 year Cooperative Agreement
- Add'l 2 years to complete funded projects
- Regional hubs of manufacturing excellence
- Invest in applied research
- Industrially-relevant manufacturing technologies broad application; accelerate innovation; bridge the gap between basic research and product development/fielding (TRL/MRL 4-7)

ManTech Program Director

Adele Ratcliff

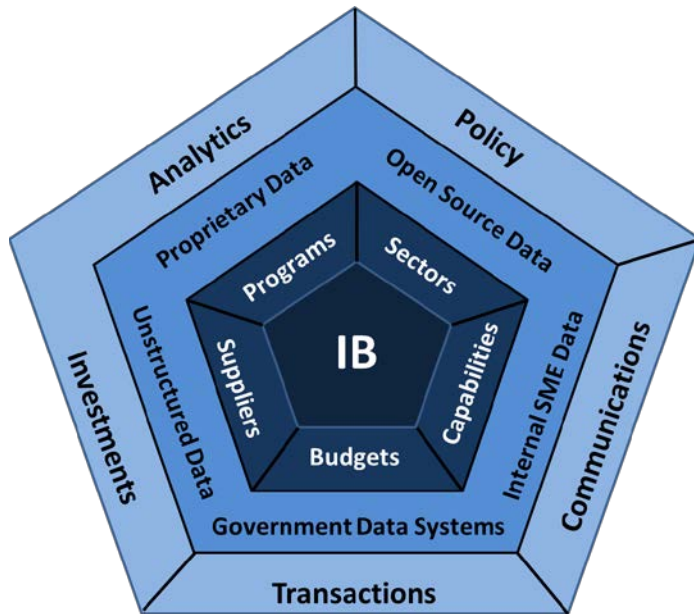
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MIBP Function – Business Intelligence and Analytics

Business Intelligence and Analytics (BI&A)

Deliver business intelligence and analytics to decision makers to support robust, secure, innovative, affordable and technologically superior defense industrial capabilities today and in the future



Using **BIG DATA** principles to provide more effective and timely predictive analytics on global and domestic IB trends and health

Fast Facts

Capabilities

- Identify and monitor IB risk
- Provide views of IB
- Modeling, Predictive and Trend analysis
- Assess domestic and global investments
- Assess risks from counterfeiting

Products

- Industrial Sector Summary
- Risk-based analysis
- Budget and program impacts on IB
- Corporate transaction impact on IB
- Financial analysis and company assessment
- Fragility/Criticality Sector IB Risk Assessments

BI&A Program Director

Robert Read

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MIBP Function- Business Intelligence and Analytics

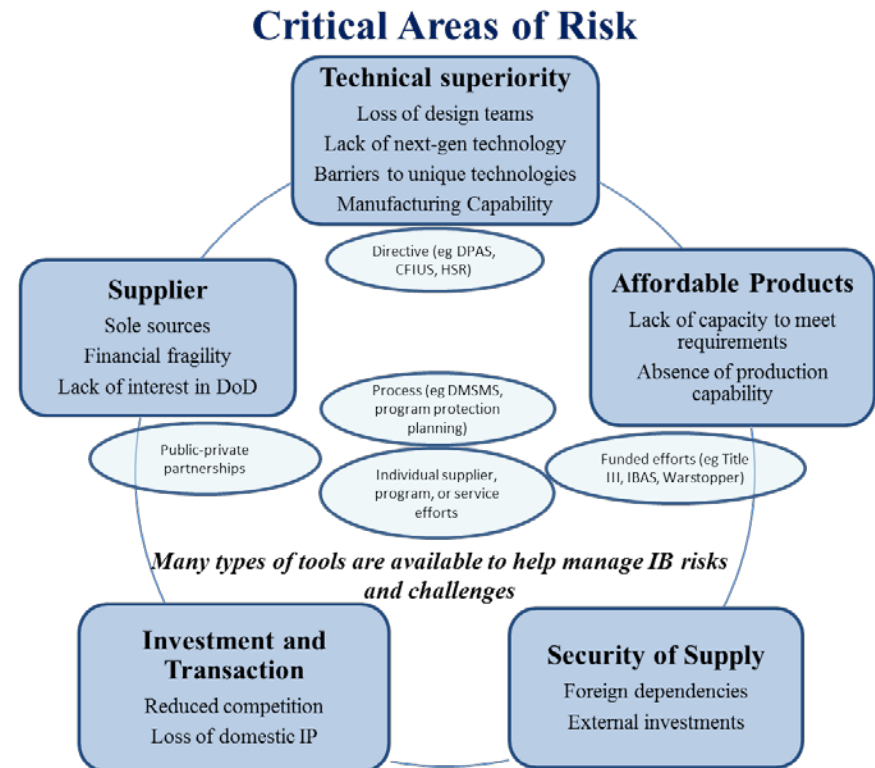


Fragility and Criticality (FaC) Program

Develop a collaborative, repeatable, fact-based DoD-wide internal ability to evaluate the impact of acquisition decisions on the industrial base (IB)

(FaC) Program Objectives

- Integrate IB considerations into acquisition strategy decision making
- Identify successful IB management efforts
- Lead development and sharing of IB data
- Standardize best practices in IB assessment





MIBP Function – Global Markets and Investments



DPA Title VII: Committee on Foreign Investment in the U.S. (CFIUS) Program Monitor and assess the impact of foreign investment in the U.S.

CFIUS Process

- CFIUS notified of a foreign acquisition
- Committee has 30 days to determine whether the transaction threatens national security
- Transaction is approved OR initiate additional 45-day Presidential investigation
- Transaction approved as is OR with mitigation OR sent to White House with recommendation

Fast Facts

- Established in 1975 thru EO
- In 2007, CFIUS established in statute (FINSIA) and EO 13456
- 14 Interagency participants
- Dept. of Treasury chairs
- DoD staffs 33 reviewers from Military Services and Defense Agencies

CFIUS Program Director
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MIBP Function – Global Markets and Investments



Mergers and Acquisitions (M&A)

Assess the potential impact on Department's interests resulting from an acquisition involving a major defense supplier.

M&A Process

- Hart-Scott-Rodino (HSR) Act requires premerger notification and a Federal review for transactions over \$76.3M (FY15)
- MIBP uses a rigorous and centralized review process for M&As
 - MIBP coordinates an antitrust review within DoD
 - Potential issues are weighed against potential benefits of the transaction
- DoD's position is provided to the appropriate antitrust agency (DoJ or FTC)

Fast Facts

- DoD began merger review in 1994
- ~ 300 defense-related transactions filed per year
- All defense-related transactions are screened; 30-40 are reviewed
- DoD looks at:
 - Impact on current and future markets & programs
 - Competitive effects
 - Organizational conflicts of interest
 - Costs and savings
- DoD supports transactions where benefits outweigh harm

CFIUS Program Director

Benjamin Richardson

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MIBP Outreach



- Acting as the ombudsman to industry on BBP 3.0 roll-out and implementation
- Bringing together industry, academia, and Government by establishing and utilizing Manufacturing Innovation Institutes
- Working with our industry partners to sustain the health of the Defense industrial base
 - Promoting innovation
 - Investing in technology
 - Preserving capability & capacity
 - Leveraging commercial / non-traditional suppliers



MIBP Outreach



Contact Information

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